

Message Text

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ORIGIN COME-00

INFO OCT-01 EA-07 ISO-00 EB-08 TRSE-00 CIAE-00 INR-07
NSAE-00 IO-13 NEA-10 L-03 /049 R

DRAFTED BY COM/BIC/OED/MEPD/WHAIMES/CF
APPROVED BY EB/OCA/CD:EMSACCHET
COM/BIC/OED/MEPD/SMCONGER, DIR
COM/BIC/OIM/RKELLY (INFO)
COM/BIC/OIM/TMOORE (INFO)
TREAS/OASIA/OIDB/TBURKE (PHONE)
STATE/EA/TB/LROCKE (PHONE)
EA/EP:DBOERIGTER (INFO)

-----160218Z 048465 /62

P 152216Z MAR 77
FM SECSTATE WASHDC
TO AMEMBASSY BANGKOK PRIORITY
AMEMBASSY MANILA PRIORITY

C O N F I D E N T I A L STATE 057668

E.O. 11652: GDS

TAGS: BEXP, EFIN, TH, RP

SUBJECT: MAJOR PROJECT: FEASIBILITY STUDY ON THAILAND
SODA ASH/ROCK SALT PROJECT - ADB TECHNICAL ASSISTANCE
GRANT

MANILA FOR USADB

REF: A) MANILA 2144 AND PREVIOUS
B) BANGKOK 2496 AND PREVIOUS
C) 76 BANGKOK 32047, 31723
D) 76 STATE 300654

1. COMMERCE/MEPD HAS HAD DISCUSSIONS WITH SEVERAL U.S.
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FIRMS INTERESTED IN THAI SODA ASH PROJECT. RALPH M.
PARSONS, U.S. STEEL ENGINEERS AND CONSULTANTS (UEC),
AND DIAMOND SHAMROCK, ALL OF WHOM HAVE HAD PRIOR
INVOLVEMENT IN THE PROJECT, ARE ADVISED OF ADB TECHNICAL
ASSISTANCE GRANT. IN ADDITION, ANOTHER CONSULTING FIRM,
HOLMES AND NARVER, HAS APPROACHED US AS A RESULT OF ADB
ANNOUNCEMENT. IN VIEW OF DEGREE OF INTEREST IN THIS

PROJECT, WE WANT TO ASSURE THAT U.S. FIRMS ARE
BEING CONSIDERED FOR

FEASIBILITY STUDY CONTRACT AS WELL AS EVENTUAL EQUITY
PARTNERSHIP AND SUPPLY OF DESIGN/CONSTRUCTION SERVICES.

2. FYI: DIAMOND SHAMROCK HAS MOST ACTIVELY SOUGHT
USG ASSISTANCE TO THIS END. DIAMOND IS VERY INTERESTED
IN POSSIBLE EQUITY PARTICIPATION, SHOULD THE PROJECT
PROVE FEASIBLE. COMPANY PERCEIVES THAT ASAHI GLASS IS
ITS PRIME COMPETITOR AND PREDICTS THAT IF THAI ASAHI
WERE CHOSEN AS AN EQUITY PARTNER (OR SHOULD IT HAVE SOME
ASSOCIATION WITH FEASIBILITY STUDY WHICH WOULD PUT IT IN
POSITION OF ADVISOR ON PROJECT) THEN CHANCES OF U.S.
PARTICIPATION IN SUPPLY OF SERVICES AND EQUIPMENT AT
LATER STAGE WOULD BE GREATLY DIMINISHED. DIAMOND INFORMS
US CONFIDENTIALLY THAT KEY TO CHOICE OF POTENTIAL FOREIGN
EQUITY PARTNER MAY BE CATHAY TRUST OF THAILAND, WHICH
INTENDS TO MAKE INVESTMENT IN THIS PROJECT AND THEREFORE
WILL HAVE SUBSTANTIAL INFLUENCE ON ALL DECISIONS.
DIAMOND, HAVING PERFORMED PRIOR STUDIES ON THIS PROJECT,
ALREADY HAS SUBSTANTIAL BASE OF INFORMATION AND IS
INTERESTED IN PARTICIPATING IN UPCOMING FEASIBILITY
STUDY IN CONJUNCTION WITH A U.S. ENGINEERING FIRM, AS
LONG AS DIAMOND WOULD NOT BE PRECLUDED FROM EVENTUALLY
TAKING EQUITY POSITION IN THIS PROJECT. END FYI.

3. THERE IS SOME CONFUSION AS TO WHETHER CHOICE OF FIRM
TO PERFORM FEASIBILITY STUDY UNDER TECHNICAL ASSISTANCE
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GRANT IS BEING MADE BY ADB OR THAI GOVERNMENT. COULD
USADB OR EMBASSY CLARIFY PROCEDURE FOR CHOOSING STUDY
CONTRACTOR? WE ALSO HOPE WE COULD OBTAIN ASSURANCES
THAT U.S. FIRMS ARE DEFINITELY BEING CONSIDERED FOR
STUDY CONTRACT, ESPECIALLY GIVEN FACT THAT U.S.
COMPANIES WITH PREVIOUS INVOLVEMENT IN STUDIES ON THIS
PROJECT COULD BUILD ON THEIR INFORMATION BASE AND MAY BE
ABLE TO PERFORM FEASIBILITY STUDY MORE EXPEDITIOUSLY.

4. COMPANIES MENTIONED ABOVE WOULD ALSO APPRECIATE
CLARIFICATION AS TO WHETHER, UNDER TECHNICAL ASSISTANCE
GRANT ARRANGEMENT, A FIRM WHICH PERFORMED THE STUDY
WOULD IN ANY WAY BE EXCLUDED EITHER FROM FURTHER
CONSULTING OR DESIGN/CONSTRUCTION WORK OR FROM
MAKING INVESTMENT IN THE PROJECT, SHOULD ADB LATER
PARTICIPATE IN PROJECT FINANCING.

5. WE HAVE HEARD THAT SOME 18 FIRMS FROM VARIOUS
COUNTRIES HAVE ALREADY BEEN APPROACHED TO PERFORM

FEASIBILITY STUDY. IN FACT, WE HAVE EVEN HEARD THAT A SHORT LIST HAS BEEN PREPARED. WE HAVE NOT BEEN ABLE TO IDENTIFY ANY U.S. FIRMS WHICH HAVE BEEN INVITED TO BID. (WHILE PARSONS AND HOLMES AND NARVER ARE LOOKING INTO THIS OPPORTUNITY, NEITHER WAS APPROACHED BY THE THAIS OR ADB, U.S. STEEL, MENTIONED REFS C, HAS NOT BEEN APPROACHED ON THE STUDY EITHER, AND AT THIS TIME IS NOT REALLY INTERESTED IN STUDY CONTRACT. FYI: UEC REPORTS THAT THAI ASAHI MADE PERFUNCTORY INQUIRIES IN PAST TO U.S. STEEL GEOLOGISTS, BUT NO COMMITMENTS OR FOLLOW-THROUGH WITH ACTUAL WORK RESULTED.) WE HAVE LATELY HEARD THAT FLUOR, WHOM WE ARE ATTEMPTING TO CONTACT, MAY BE ONE OF SHORT-LISTED COMPANIES. IF USADB OR EMBASSY BANGKOK COULD VERIFY ABOVE INFO AND IDENTIFY OTHER U.S. BIDDERS, WE WOULD ALSO WANT TO CONTACT THEM IMMEDIATELY.

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6. WOULD APPRECIATE RESPONSE TO QUESTIONS RAISED ABOVE ASAP AS WELL AS ANY FURTHER INFO THAT CAN BE DEVELOPED. EMBASSY BANGKOK MAY WISH TO MENTION INTEREST OF DIAMOND SHAMROCK, AS WELL AS GENERAL INTEREST OF U.S. CONSULTANT AND ENGINEERING FIRMS, DURING ANY DISCUSSIONS WITH PROJECT DECISIONMAKERS. HOWEVER, DIAMOND DOES NOT WISH TO BE CITED AS SOURCE OF ABOVE INFO.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TECHNICAL ASSISTANCE, GRANTS, ROCK SALT, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE057668
Document Source: CORE
Document Unique ID: 00
Drafter: BIC/OED/MEPD/WHAIMES/CF
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770089-0475
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1977/newtext/t19770357/aaaabyez.tel
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Litigation History:
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 MANILA 2144
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3100425
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: FEASIBILITY STUDY ON THAILAND SODA ASH/ROCK SALT PROJECT - ADB TECHNICAL ASSISTANCE GRANT
TAGS: BEXP, EFIN, TH, RP, ADB
To: BANGKOK MANILA
Type: TE
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